

Procurement and USDA Foods Questionnaire Supplemental Information and Instructions

Supplemental Information and Instructions

[Procurement Questions 1-10](#)

- [Attachment A: New - Requirement for Written Procurement Procedures](#)

[USDA Foods Questions 11-16](#)

- [Crediting of USDA Foods Value for FSMC Contracts, Vended Meal Agreements, and Joint Agreements \(pdf\)](#)

Introduction: As part of the Administrative Review (AR) process of reviewing School Food Authorities (SFAs) compliance with National School Lunch Program (NSLP) requirements, the SFA will need to respond to the AR procurement questions. This will serve as documentation for the AR process of reviewing procurement compliance; if the SFA's responses are identified as non-compliant with the procurement regulation(s), the SFA will be directed to contact Randy Jones, Contract Specialist, at: randall.jones@dpi.wi.gov for technical assistance. Randy will work with the SFA to develop a plan to become compliant with areas identified in the Administrative Review Procurement Questionnaires as non-compliant.

The SFA should have a general idea about the term "*procurement*". In general, when we use the term procurement, we are referring to the "*purchasing*" of goods and services. That being said, we should be careful when using the term "*purchasing*" or "*government purchasing*". In fact, the word "*purchasing*" can be a bit misleading. It may evoke an image of our personal buying activities such as picking up something to eat at the grocery store, or purchasing gas at a service station. However, it's a lot more complex when a large business or a government entity makes a purchase, especially when federal funds are involved.

- A government agency (federal, state, or local agency) does not walk into a store and buy off the shelf; rather, it initiates a multi-step "procurement process," which involves distinct phases of planning, writing specifications, announcing the procurement, awarding a contract, and managing the contract.
- This multi-phase process helps to ensure that the government agency receives the best and most responsive product at the lowest possible price.
- If, at any point during this process, the government agency (federal, state, or local agency) makes an error or uses bad judgment, there are many people such as disappointed bidders, auditors, government oversight entities, elected officials, the media, or the public ready to accuse the agency of bad faith or worse.

SFAs must comply with the requirements "passed down" to them from Congress, Office of Management and Budget (OMB), USDA, and the Wisconsin Department of Public Instruction (DPI). The SFAs must comply with 2 CFR Part 200, USDA Program regulations (7 CFR Part 210, Part 215, and Part 220), guidance, and instructions, state law, regulations, and policies that are not in conflict with federal requirements, and local law, regulations, and policies.

Use of Nonprofit School Food Service Account Funds: The SFAs must use the funds to obtain food and other goods and services for use in operating the Child Nutrition Programs. They may:

1. Purchase food, supplies, and equipment required for an SFA's meal preparation and service;
2. Purchase prepared meals from contractors;
3. Pay food service management companies (FSMCs) to operate their food service or carry out significant food service functions;
4. Pay for labor and other administrative and operational costs related to the food service; and

Any funds from this account that are used to procure goods or services must be used according to the uniform government-wide requirements found in 2 CFR Part 200 which apply to OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements (also known as "Super Circular" or "Omni Circular") for federal awards, and the program specific requirements found in the School Nutrition Program regulations (7 CFR Part 210, Part 215, and Part 220). In 2 CFR Part 200, you can find the government-wide rules for program reporting, cost allowability, procurement, and other requirements.

In accordance with OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements, an allowable cost is one that is deemed necessary, reasonable, and allocable. Procurements made by SFAs that are not in accordance with the government-wide and program-specific requirements cannot be paid for with nonprofit school food service account funds. Such purchases would have to be paid for with other funding sources such as the school district's general fund.